(d) whether it is also a fact that according to the IDBI conditions, Enron along with GE and Bechtal (10 per cent holding each) will hold 70 per cent equity for one year after project completion and at least 50 per cent equity for the next four years, if so, how will Goverment ensure the observance of this condition; and

(e) whether non-fund based exposure to the Enron project by Indian financial institutions is way above the 40 per cent limit prescribed by Government but that too has been waived for this project, if so, what are the reasons for waiving this condition?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILABEN CHIMANBHAI PATEL): (a) Yes, Sir.

(b) and (c) The newsitem in question is based on incorrect information. The facts are as under:

This project is a fixed-completed-cost project with 100 percent foreign equity for Phase I of 695 MW. Either party has no legal binding for taking up Phase II. The process of equity reduction would be governed by the financial agreement between Dabhol Power Company and the Indian lenders led by Industrial Development Bank of India (IDBI). The proposed disinvestment limit have no impact on the tariff.

For this project there is no guaranteed return of 16 percent and the project equity carries heavy risk as the payments are based on the power plant performance and is associated with heavy penalty for non-completion, delayed completion and under performance conditions. Profit, if any from the sale of equity will depend on the purchaser's appraisal of the project risks at the time of disinvestment.

(d) The onus of ensuring the observance of the ownership conditions of the shares rests with IDBI and in the event that DPC fails to comply with the various conditions imposed by the lenders to the project, the lenders can take remedial action as per agreements.

(e) The 40 percent limit applies to fund based exposure. At present DPC has raised less than 15 per cent of its total debt from the Indian Financial Institutions Group led by Industrial Development Bank of India (IDBI) and has not exceeded the limit prescribed by the Government.

Transmission Project of Power Grid Corporation

126. SHRI SURESH KALMADI: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that Goversment have recently approved two transmission projecs of the State-owned Power Grid Corporation; and

(b) if so, what are the details of the projects and the costs thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILABEN CHIMANBHAI PATEL): (a) Yes, Sir.

(b) The particulars of two transmission projects of POWERGRID approved by the Government on 1.2.1995 are as follows:—

(i) Jeypore-Gazuwaka (1x500 MW) HVDC Back-to-Back Transmission Project at an estimated cost of Rs. 659.98 crores (including Interest During Construction of Rs. 109.59 crores). The Project is intended to provide inter-regional transmission link between Eastern Region and Southern Region for the purpose of formation of a National Grid to ensure option utilisation of the existing generat-

ing resources in various regions of the country.

(2) Revised Cost Estimates for the ongoing transmission system project associated with Kathalguri (Assam) Gas based Power Project (280 MW) amounting to Rs. 681.19 crores (including Interest During Construction of Rs. 16.03 crores). The transmission would also provide an inter-regional link to facilitate exchange of power between the North-Eastern and Eastern Regions.

Delay in Power Projects

127. SHRI SURESH KALMADI: Will the Minister of POWER be pleased to state:

(a) whether Government's attention has been drawn to the newsitem published in the Times of India of 1st February, 1995 under the caption "Delay in Power Projects worries plan panel"; and

(b) if so, what is Government reaction in respect thereto?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILABEN CHIMANBHAI PATEL): (a) and (b) Yes, Sir. To prevent delay in implementation of power projects, periodical review meetings are held in the Ministry of Power to identify the critical areas in the case of each project. Such meetings are also attended by the officers of the Central Electricity Authority to sort out the problems from technical angles and to remove bottlenecks on a priority basis so as to speed up the activities for completion of the projects on time.

Insurance cover for investment by USA in power sector

128. SHRI S. VIDUTHALAI VIRUMBI: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that USA has suggested the idea of Insurance Cover" as an alternative to secure its investment, if any, in power sector in India;

(b) if so, the details thereof; and

(c) what is the reaction of Government on this issue?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILABEN CHIMANBHAI PATEL): (a) No, Sir.

(b) Does not arise.

(c) Does not arise.

Power generation from lignite in Tamil Nadu

129. SHRI S. VIDUTHALAI VIRUMBU: Will the Minister of POWER be pleased to state:

(a) whether there is any proposal to generate power in Jeyangondam area is Tamil Nadu, utilising the lignite available there;

(b) if so, the details thereof;

(c) whether it is a fact that a German Company has withdrawn their approval given previously to join in the Project; and

(d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILABEN CHIMANBHAI PATEL): (a) to (d) Information is being collected and will be laid on the Table of the House.

Electrification of villages in Uttar Pradesh

130. DR. RANBIR SINGH:
SHRI RAM NATH KOVIND:

Will the Minister of POWER be pleased to state:

(a) whether Government have conducted any survey in connection with